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Central Intelligence Agency
Office of the Deputy Director for Intelligence

3 January 1986

NOTE TO: The Honorable Fred C. Ikle
Under Secretary of Defense for Policy

Fred -

Attached is as much material we have on US economic involvement in Libya. The detailed figures at the end on exports to Libya are only for 1984. The final figures for 1985 have not been formally entered into this data base but total trade for 1985 is about \$304 million with the increase in each category roughly proportional to the breakdown in 1984. I hope this is useful.

RM

Robert M. Gates
Deputy Director for Intelligence

Attachment:
As Stated

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Over 75 percent of Libya's foreign trade is with OECD countries. East Bloc and Soviet states account for the bulk of the remaining trade. Tripoli depended on western countries for almost 70 percent of its food supply, a wide variety of industrial goods to keep its economy afloat, and almost a quarter of its arms purchases last year.

Foreign expertise is essential to the operation of Libya's oil sector and industry, especially the Great Man-made River Project.

- As many as 375,000 foreigners still reside in Libya.
- About 64,000 western workers including some 1,000 US citizens continue to work in Libya.
- East Bloc and Soviet personnel may number as many as 65,000.

Remaining areas of US leverage over Libya's economy include:

- Several thousand Libyan students continue to reside in the US.
- Libya still enjoys most favored nation status.
- US exports to Libya of \$300 million last year are up almost 50 percent and include badly needed, although not unique, food and industrial goods.

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Next 1 Page(s) In Document Denied

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The following information may be of some use to you so I pass it along for your consideration.

Our best guess as to the number of US citizens in Libya at the present time would be 800 to 1,000 US citizens including dependents. The Libyans have claimed that as many as 2,695 Americans resided in country at the start of 1984. This figure probably represents more of a flow of people during a period of time than an actual number at a given point in time. [REDACTED]

There probably is a correlation between the level of US business activity in Libya and the number of US citizens in country but coverage is so limited as to make such a calculation impossible to establish in a practical sense. It appears from available information that US oil firms operating in Libya occasionally employ US citizens but only for limited lengths of time. This situation also prevails in the case of US firms working on the Great Man-made River Project. Non-US personnel have been relied on to fill the void created by the departed US workers since 1982. [REDACTED] 25X1

The pursuits of US citizens in Libya is a more tenuous subject. Available information shows that as many as 450 US citizens and their dependents form a core group which calls Libya home and did not depart in 1982. This group is made up of teachers and other professionals as well as a few oil workers who have established roots in Libya. The remaining 350 to 550 US citizens include opportunists drawn by lucrative employment contracts in Libya's petroleum sector as well as businessmen who rotate in out of the country as is necessary. [REDACTED] 25X1

The location of US citizens is an equally difficult question. The core group is primarily located in Tripoli, Benghazi, and possibly Tobruk. The non-oil business types would also be located primarily in these urban centers. The petroleum workers are scattered throughout the petroleum industry which covers a large part of the country. I would guess that petroleum workers account for 75 percent of the non-resident group of US citizens in Libya. [REDACTED] 25X1

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